

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6437

BILL NUMBER: SB 157

NOTE PREPARED: Feb 22, 2006

BILL AMENDED: Feb 21, 2006

SUBJECT: Natural Resources Advisory Councils.

FIRST AUTHOR: Sen. Lewis

FIRST SPONSOR: Rep. Hoffman

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes a single advisory council to serve the Bureau of Water and Resource Regulation and the Bureau of Lands and Cultural Resources. (Current law creates a separate advisory council for each bureau.) The bill removes per diem for advisory council members. It requires the advisory council to meet at least once every two months (rather than quarterly). The bill also repeals the requirements of a conservancy district board of directors in Lake County. (The introduced version of this bill was prepared by the Natural Resources Study Committee.)

Effective Date: Upon passage; July 1, 2006.

Explanation of State Expenditures: IC 14-9-6-5 provides that members of each advisory council are entitled to receive a per diem of \$15 for each day that the members are engaged in the performance of the official functions of the council. Members are also entitled to receive reimbursement for traveling expenses that are necessarily incident to the performance of official functions. From April 2003 through December 2004, expenditures for both councils totaled \$12,170. The bill removes per diem for advisory council members, which, based on 2003-2004 council expenses, would result in a savings comparable to the expenses for the 21-month period.

Although the proposal eliminates one of the advisory chairs from serving on the Natural Resources Commission, the bill also provides that the Governor must appoint one additional citizen member to the Commission. A fiscal impact could result in a change in the Commission membership if travel for the newly appointed citizen member differed substantially from the travel expenditures of the existing advisory chair. The overall impact is expected to be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill repeals IC 14-33-5.5, which pertains to the Lake County Conservancy District Board of Directors. The repeal of the code site will require the existing board to comply with IC 14-33, which is the general statute governing conservancy districts. The change in the governing statute for the Lake County District will mean that the district will need to change procedures for appointing or electing board members.

Under the current Lake County provision, IC 14-33-5.5-3 provides that at each annual meeting of the district, directors shall be elected to fill vacancies on the board due to expiration of terms. IC 14-33-5.5-12 provides that a director who resigns or moves outside the district before the completion of the director's term must deliver written notification to each of the remaining members on the board of directors by registered mail. Not more than 15 days after receiving notification of a vacancy, the board of directors must prepare a notice for a newspaper of general circulation in the district to invite nominations to fill the vacancy. Not more than 25 days after receiving notification, the board must publish notice of the vacancy. Twenty days after publication of the notice, a nomination for director may be submitted in writing to the office of the district. The nomination must be signed by at least five freeholders from the area designated in the notice.

Twenty-five days after publication of the notice, the board must give notice of the meeting by one publication in a newspaper of general circulation in each county in the district. The meeting to fill the vacancy must be at least 50 but not more than 55 days after publication of the notice. The chair of the board must appoint three freeholders of the district to conduct the election. A director who is elected to fill the vacancy serves the remainder of the unexpired term.

If a district fails to conduct an election to fill a vacancy, an interested person who is a freeholder in the district may petition the county board of commissioners to appoint a member to fill the vacancy until the next annual meeting.

Under the general provisions, IC 14-33-5-2 provides that at each annual meeting of the district, directors shall be elected to fill vacancies on the board due to expiration of terms, resignation, or otherwise. IC 14-33-5-12 also provides that if a vacancy occurs on the board, the board shall vote to appoint a member to serve until the next annual meeting.

Providing that the Lake County District will fall under the general statutory provisions will allow the board to appoint or elect a member if a current member no longer wishes to serve on the board. The change will have no significant fiscal impact. The district could save administrative expenses associated with the election of a board member to replace a board member who no longer wishes to serve. IC 14-33-5-16 provides that directors are entitled to be reimbursed for actual expenses, including traveling expenses. An insignificant impact would occur only if the newly appointed or elected member had to travel a greater distance.

Explanation of Local Revenues:

State Agencies Affected: DNR.

Local Agencies Affected: Lake County.

Information Sources: DNR.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.